



IRISH LIFE INVESTMENT MANAGERS (ILIM)

The week that was – WEEK 33 (ending 14/08/2015)

“ People may hear your words, but they feel your attitude. ” - John C. Maxwell

Irish mortgage drawdowns rise over 30% in Q2 – Figures from the Banking and Payments Federation show a total of 6,250 mortgage loans, valued at €1.08 billion, were drawn down in the second quarter of this year. This is a 32.3% increase compared to Q2 2014. However the rise in Q1 this year was 73% compared to 2014.

Irish inflation falls further – CPI data for Ireland showed a renewed fall in inflation in July, down 0.2% year-on-year compared to a 0.1% yoy fall in July. The inflation drop was caused in the main by falls in energy prices (-6.7% yoy) and mortgage interest costs (-9.2% yoy), as well as declines in food prices (-2.4%).

China implements surprise currency devaluation – China shocked global markets on Tuesday by devaluing the yuan after a run of poor economic data. China's central bank set its official guidance rate down nearly 2% to 6.2298 yuan per dollar. It was the biggest one-day fall since a large devaluation in 1994.

Greek parliament approves terms of new bailout – After debating the matter all night, Greece's parliament voted to approve the terms of the third bailout package offered by international creditors. Support from opposition parties gave Greek Prime Minister Alexis Tsipras more than the 151 votes needed to win vote.

U.S. industrial production increases in July with better-than-expected growth – Industrial production in the U.S. increased 0.6% in July after moving up 0.1% in June, better than the 0.3% rise expected by economists. This is the fastest pace of growth in eight months, according to America's Federal Reserve.

U.K. surveyors report biggest house price rises in a year – The Royal Institution of Chartered Surveyors reported British house prices rose at their fastest rate in a year last month, and a shortage of homes is likely to push prices even higher. This was a bigger rise than most economists polled by Reuters had expected.

The Story of the week: Some 200 people earned their stripes by streaking through London zoo yesterday to raise awareness for tiger conservation. The jog aimed to raise money in support of the Zoological Society of London, who help protect tigers through global stewardship projects. The run is in its third year and has proved very successful.

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Index Performances and Market Data*

Equity Markets (%)	2010	2011	2012	2013	2014	2015 YTD (to 13/08)
ISEQ Overall Return	-0.1	2.6	20.5	35.8	16.8	24.4
FTSE 100 TR	12.6	-2.2	10.0	18.7	0.7	2.8
Euro Stoxx 50 TR	-2.8	-14.1	18.1	21.5	4.0	14.1
S&P 500 TR	15.1	2.1	16.0	32.4	13.7	2.5
Nasdaq Composite	16.9	-1.8	15.9	38.3	13.4	6.3
Nikkei 225	-3.0	-17.3	22.9	56.7	7.1	18.0
MSCI Emerging Markets	11.7	-14.9	13.9	0.9	2.6	-3.4
MSCI World	7.8	-7.6	13.1	26.2	7.7	4.1
Sovereign 10yr Bond Yields (%)	2010	2011	2012	2013	2014	2015 YTD
US	3.3	1.9	1.7	3.0	2.2	2.2
German	3.0	1.8	1.4	1.9	0.5	0.6
UK	3.4	2.0	1.9	3.0	1.9	1.9
Japan	1.1	1.0	0.7	0.7	0.3	0.4
Ireland	9.1	8.4	4.5	3.4	1.3	1.2
Italy	4.8	7.1	4.6	4.1	2.1	1.8
Greece	12.5	31.7	12.7	8.2	9.6	9.7
Portugal	6.6	13.4	6.9	6.1	2.7	2.4
Spain	5.5	5.1	5.4	4.1	1.6	1.9
Central Bank Rates (%)	2010	2011	2012	2013	2014	2015 YTD
ECB	1	1	0.75	0.25	0.05	0.05
Bank of England	0.5	0.5	0.5	0.25	0.50	0.50
US Federal Reserve	0.25	0.25	0.25	0.25	0.25	0.25
Foreign Exchange Rates	2010	2011	2012	2013	2014	2015 YTD
Euro/Dollar (€/\$)	1.34	1.30	1.31	1.37	1.21	1.11
Euro/Sterling (€/£)	0.86	0.83	0.81	0.83	0.78	0.71
Sterling/Dollar (£/\$)	1.56	1.55	1.61	1.65	1.56	1.56
IPD All Property Return (%)	2010	2011	2012	2013	2014	2015 YTD
Ireland	-2.4	-2.4	3.1	12.7	40.1	4.3 (Q 1)
UK	14.5	8.1	2.7	10.7	17.8	2.9 (Q 1)
US	14.8	14.5	5.3	11.4	11.2	3.1 (Q 1)

*Past performance is not a reliable guide to future performance